

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

**AVIATION PROCUREMENT SYSTEMS,  
LLC,**

**Plaintiff,**

**v.**

**PF FUNDING LLC and HOLIDAY  
PRIME CAPITAL GROUP II, LLC,**

**Defendants.**

**COMPLAINT**

**CIVIL ACTION NO. 20-12647**

Aviation Procurement Systems, LLC, (“APS” or “Plaintiff”) complains of the defendants and says:

**PARTIES AND JURISDICTION**

1. APS is a Maryland Limited Liability Company with principal offices located at 211 Perry Parkway, Suite 5, Gaithersburg, MD 20877.

2. APS is in the business of providing commercial aviation solutions, including supplying OEM spare parts and FAA/EASA/TCCA-certified repair services for airlines, stockists and brokers, as well as the United States Armed Forces and allied militaries.

3. Defendant PF Funding LLC (“PF Funding”) is a New Jersey Limited Liability Company with principal offices at 565 Highway 35, Suite 10, Red Bank, New Jersey 07701.

4. Defendant Holiday Prime Capital Group II, LLC (“Holiday Prime”) is a Delaware Limited Liability Company with an address of 593 Wedgewood Way, Naples, FL 34119.

5. The United States District Court for the District of New Jersey (the “Court”) has jurisdiction over this matter based on 11 U.S.C. § 1332(a)(1).

6. Venue is proper based on 11 U.S.C. § 1391(b)(3).

## FACTUAL ALLEGATIONS

7. On or about May 6, 2015, APS and PF Funding entered into a Factoring and Security Agreement (“Agreement”).
8. After May 6, 2015, from time to time, APS sold to PF Funding certain accounts pursuant to the terms of the Agreement.
9. On or about May 19, 2015, APS sold to PF Funding an account owed to it by S & K Aerospace (PROS IV) (“S & K”).
10. On or about May 19, 2015, PF Funding instructed S & K to make electronic payments due to PF Funding to an address which was a lockbox associated with PNC Bank account number ending in 9044 (“PNC Account”).
11. On June 12, 2020, S & K paid APS \$293,395 (“S&K Payment”) for an invoice which had not been purchased by PF Funding.
12. The June 12, 2020 payment by S & K was sent to the address affiliated with the PNC Account and the S & K Payment was deposited into the PNC Account.
13. On June 18, 2020, Holiday Prime transferred the funds in the PNC Account to its own account pursuant to one or more agreements entered into between Holiday Prime and PF Funding.
14. The amount transferred to Holiday Prime was \$294,000, which amount was comprised almost entirely of the \$293,395 of funds paid by S & K which belong to APS.
15. Pursuant to Paragraph 33.8 of the Agreement, the funds paid by S & K to APS in satisfaction of a non-factored invoice, which were deposited into the PNC Account, are property of APS.
16. Paragraph 33.8 of the Agreement provides that “[a]s to any Account proceeds that do not represent Purchased Accounts, and so long as Seller is not in default, Purchaser shall be

deemed to have received any such proceeds of Accounts as a pure pass-through for an on account of Seller.”

17. On August 13, 2020, APS demanded that Holiday Prime segregate the S & K Payment funds in its custody which are property of APS and that S & K return those funds to APS.

18. The Defendants have failed to return to APS its property in the form on the S & K Payment.

**COUNT I  
(Breach of Contract)**

19. The Plaintiff repeats the foregoing allegations as if the same were set forth herein at length.

20. Defendant PF Funding has breached the Agreement by failing to transfer to APS the S & K Payment.

21. As a result of PF Funding’s breach of the Agreement, APS is entitled to recover damages in an amount of not less than \$293,395, plus interest.

WHEREFORE, APS seeks judgment against PF Funding awarding APS damages in an amount to be proven at trial, but not less than \$293,395 plus interest, costs and attorneys’ fees, and such further and other relief as the count deems proper.

**COUNT II  
(Conversion)**

22. The Plaintiff repeats the foregoing allegations as if the same were set forth herein at length.

23. Defendant Holiday Prime transferred the S & K Payment funds in the PNC Account to Holiday Prime on or about June 18, 2020.

24. The transfer of funds belonging to APS to Holiday Prime constituted a conversion of APS’s property by the Defendants.

WHEREFORE, APS seeks judgment against the Defendants awarding APS damages in an amount to be proven at trial, but not less than \$293,395 plus interest, costs and attorneys' fees, and such further and other relief as the count deems proper.

**COUNT III**  
**(Beneficial Trust)**

25. The Plaintiff repeats the foregoing allegations as if the same were set forth herein at length.

26. The Defendants' conversion of the S & K Payment deprived APS of its property.

27. The Agreement established that PF Funding did not own the S & K Payment and that such funds were property of APS.

28. APS's property consisting of the S & K Payment was transferred to Holiday Prime wrongfully.

29. Holiday Prime has refused to turn over the APS property in its custody.

30. Holiday Prime holds the \$293,395 in funds belonging to APS in trust for the benefit of APS and has no right to claim the funds as its own property.

WHEREFORE, APS seeks judgment against the Defendants determining that the \$293,395 S & K Payment is held by Holiday Prime in trust for APS, directing Holiday Prime to return to APS \$293,395 plus interest, costs and attorney' fees and such further and other relief as the count deems proper.

FORMAN HOLT  
Attorneys for Aviation Procurement Systems, LLC

By: /s/Erin J. Kennedy  
Erin J. Kennedy

Dated: September 14, 2020